identified to determine at what point wire maintenance should be charged separately to U S West's payphone division as "inside wire" maintenance and at what point wire maintenance may be included as part of the tariffed access service.[10] U S West should be required to amend or re-file its plan to state its specific practices with respect to the demarcation point.

Further, U S West does not state whether U S West will share personnel between its regulated operations and its payphone division.[11] To the extent that personnel sharing takes place, especially in the areas of service order processing, installation, maintenance and repair, it is far more difficult to prevent discrimination by a Bell company in favor of its payphone operation. For example, if some of U S West's Service Order System employees are also assigned to work for U S West Public Services, it is extremely difficult to imagine how U S West could manage to provide "comparable access" to the Service Order System for independent PSPs.

On the other hand, if U S West chooses to share personnel, then it must describe in detail the specific steps it will follow to ensure there will be no discrimination

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[10] Some Bell companies appear to take the position that by grandfathering existing payphones, the Commission has relieved them of any requirement to allocate wire maintenance costs for such payphones to unregulated accounts. BellSouth Reply, filed January 15, 1997 in CC Docket No. 96-128 at 27. The Commission grandfathered the location of existing LEC payphones, citing the cost and difficulty of moving existing payphones. See Payphone Order, ¶ 151. But the Commission did not authorize LECs to fail to identify a nondiscriminatory, nonsubsidizing method of determining which wire maintenance costs should be allocated to regulated or deregulated operations.

[11] In fact, for example, Ameritech has committed to not sharing personnel in these areas. See Ameritech CEI Plan at 9.

against IPPs, and no preferential treatment of Southwestern Bell's payphone division, in the provision of service ordering, installation, maintenance and repair.

In short, U S West must be required to refile its CEI Plan with a more detailed description of the order processing, installation, maintenance and repair procedures it will follow regarding services for its own payphones.

III. NUMBERS AND SCREENING CODES

A. Number Assignments

The Payphone Order requires LECs to be nondiscriminatory in assignment of line numbers to payphones. Payphone Order, ¶ 149. Assignment to payphones of line numbers in the 8000 to 9000 range provides a distinct advantage in the prevention of fraud because they alert overseas operators to refrain from completing collect calls to such numbers.[12] IXCs frequently attempt to collect charges for incoming collect calls placed to payphones from overseas, even though the payphone is subscribed to billed number screening.

U S West's plan commendably states that "telephone numbers . . . are selected on a 'first-come, first-served' basis." CEI Plan at 10. However, the Plan does not address the reallocation of numbers to existing payphones. Numbers in the 8000 to 9000 range

[12] On domestic calls, IXCs usually determine whether to complete collect calls by accessing LIDB and checking for the presence of billed number screening on the line. According to AT&T, it is not practical for overseas operators to access LIDB to determine the presence of billed number screening on a line to which a collect call is being placed.

were made available only relatively recently to IPP providers.[13] By contrast, these numbers have been available to LEC payphones for many years. Consequently, APCC believes that 8000 and 9000 series numbers are assigned to a much higher percentage of the installed base of LEC payphones than the percentage they represent of the installed base of IPPs. U S West should be required to allocate the numbers assigned to the existing base of payphones, without charge, so that an equal percentage of LEC payphones and IPPs are assigned 8000 and 9000 series numbers. See Payphone Order, ¶ 149.

B. Screening Codes

U S West's CEI Plan fails to provide detail on the types of screening service U S West will offer to independent and U S West payphones.

U S West has indicated that it will implement the Commission's OLS requirement by providing LIDB-based OLS rather than Flex ANI. See OLS Waiver Order, ¶ 3. With LIDB-based OLS, LECs continue to provide independent payphone service providers ("PSPs") using COCOT lines with the "07" code, which does not uniquely identify calls as payphone calls. To obtain such a unique identification, IXCs must arrange for access to LIDB information, which involves significant expense and/or delay. By contrast, LECs deploying LIDB-based OLS will continue to provide their own payphones,

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13 While the Plan indicates that 8000-9000 services were assigned to IPP providers "[w]henever possible" as of 1992, it does not indicate how U S West determined when such assignment was "possible." For example, did IPP providers have the same priority as U S West's own payphones, or was there a pool of numbers reserved for U S West's own use?

which use primarily "coin lines" with a "27" code that does uniquely identify calls to IXCs as payphone calls without any necessity to obtain additional information from LIDB.

While LIDB-based OLS may satisfy a LEC's pre-Telecommunications Act obligations, U S West provides IPP providers using COCOT lines with the "07" code, which does not immediately and uniquely identify calls as payphone calls, and by contrast, provides its own payphones, which use primarily "coin lines," with a "27" code, which does uniquely identify calls to IXCs as payphone calls, U S West violates the Commission's CEI requirements.

Prior to the Payphone Order, the Commission ordered LECs to provide an improved version of originating line screening ("OLS") that would enable IXCs to uniquely identify calls originating from IPP providers using "COCOT" lines. Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, Third Report and Order, FCC 96-131, released April 5, 1996.[14] Traditionally, IPP providers using COCOT lines have been assigned the "07" code, which merely indicates the presence of calling restrictions and which apparently can be assigned to a variety of non-payphone lines. LEC payphones, by contrast, benefit from a unique "27" code associated with coin lines.

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[14] However, since the OLS proceeding was initiated prior to enactment of Section 276, the Third Report and Order and subsequent orders have not addressed LECs' obligations under Section 276 and the Payphone Order. See Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, Petitions Pertaining to Originating Line Screening Services, Memorandum Opinion and Order, CCB/CPD File Nos. 96-18 et al., released December 20, 1996, n. 28 ("OLS Waiver Order").

The "07" code for COCOT lines is clearly inferior to the unique "27" code provided to LEC payphones using coin lines, and such inferior treatment is inconsistent with the nondiscrimination requirement of Section 276(a). Moreover, the importance of unique screening codes for payphones has been heightened as a result of the Commission's orders in Docket No. 96-128. The Commission's Order on Reconsideration in the payphone docket confirms that PSPs must ensure transmission of codes that enable IXCs to track calls. Accordingly, LECs are required to provide services "that provide a discrete code to identify payphones that are maintained by non-LEC providers." Reconsideration Order at ¶94.

Having a unique screening code automatically transmitted to the IXC provides Bell company payphones with a tremendous advantage in the collection of per-call payphone compensation. With a unique screening code, the IXC knows immediately that a call is compensable, and should not have to take any further steps in order to calculate the compensation due for each particular ANI invoiced by an IPP provider. If no unique screening code is transmitted, by contrast, the IXC must check some reliable data base in order to confirm whether the call is from a payphone and therefore, compensable under the Payphone Order. APCC's experience with the data base currently used to administer flat-rate compensation is that the data base information is frequently unreliable and imposes substantial delays and costs in collecting compensation. Frequently, compensation for a given period is never collected on certain payphones because of the difficulties of securing LEC verification. Transmitting a unique screening code for COCOT lines as well as coin lines evidently would make it unnecessary for PSPs to have their collection of compensation continually delayed or denied due to the highly error-prone LEC verification data base currently in use.

Therefore, if U S West transmits a unique code on all coin lines while transmitting a non-unique code on COCOT lines, U S West discriminates heavily in favor of its payphone division, providing it with a great advantage in the collection of per-call compensation from IXCs.

Accordingly, the Commission should require U S West to clarify whether it will provide PSPs using COCOT lines with a screening code that uniquely identifies their lines as payphone lines. If U S West does not propose to offer a unique code with COCOT lines, it must be required to do so, either by providing Flex ANI[15] automatically to all IXCs or by recognizing existing screening codes to eliminate any ambiguity as to whether or not the line terminates in a payphone.

IV. OPERATOR SERVICES

U S West's CEI plan does not address the intraLATA operator services offered with its public payphones. U S West should be required to specify whether it considers operator services to be part of it's deregulated payphone service or whether it considers

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[15] Ameritech has indicated that it has implemented the Commission's OLS requirement in most of its central offices by offering "Flex ANI," a service that permits the transmission of a "70" code that uniquely identifies COCOT lines to those IXCs subscribing to Flex ANI. However, unless IXCs are required to subscribe to codes like the Flex ANI code in all areas, U S West must be required to reconfigure the existing codes, that are universally available with access services to which IXCs do subscribe, so that a unique code is available for COCOT lines as well as coin lines.

operator services to be a separable service that is not "ancillary" to its public payphone service.

If operator services are part of U S West's deregulated public payphone service, U S West should explain whether it is providing such services (1) in the payphone or (2) by reselling network-based operator functions. Further, U S West should be required to identify the network functions supporting such services and to indicate how those same functions will be offered to PSPs on a nondiscriminatory basis.

If operator services are a separable regulated service that is not "ancillary" to U S West's deregulated payphone service, U S West still must demonstrate that it is not subsidizing its payphone operations or discriminating between its payphone operations and other PSPs in the provision of such services. For example, if U S West is offering a commission to its payphone operations for presubscribing its payphones to U S West's operator service, then at a minimum, such commissions must also be available to independent PSPs on the same terms and conditions.[16] At a minimum, U S West must submit a copy of its presubscription contract with its payphone operations and to state that it will offer the same terms and conditions to other IPP providers.

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[16] However, since U S West is not using an affiliate for its provision of payphone service, it is questionable whether the Commission's accounting rules allow U S West to pay itself a commission for presubscribing its payphones to U S West's operator services. Such a transfer of regulated revenues out of regulation may be permissible under the Commission's affiliate transactions rules. However, there is no express permission for such treatment under the cost allocation rules governing nonregulated operations that are not provided through a separate affiliate.

V. CPNI AND SEMI-PUBLIC SERVICE CUSTOMERS

Regarding customer proprietary network information ("CPNI"), U S West states generally that it will follow Computer III procedures except where inconsistent with the requirements of Section 222 of the Act and pending the outcome of the FCC's CPNI proceeding. Plan at 15. This approach leaves several questions unanswered regarding how it is applied to protect, under nondiscriminatory conditions, the CPNI of PSPs, as well as the CPNI of U S West's existing "semi-public" customers.

U S West does not explain to what extent it has modified its procedures to ensure equal -- and equally protected -- access by all payphone service providers ("PSPs") to the customer-proprietary network information ("CPNI") of current customers of tariffed semi-public service. For example, U S West does not indicate how it will ensure that its payphone service personnel, who may have direct access to U S West's automated service order system (see discussion of service ordering, above) will not also have access to CPNI of PSPs.

U S West's CPNI plan also leaves ambiguous the manner in which it will handle information relating to current customers of U S West's tariffed semi-public payphone service. With semi-public service, the payphone location provider subscribes to, and is billed for, a tariffed U S West service in which U S West provides a payphone and charges the location provider for the line and usage of the payphone. Thus, the location provider is a true customer of U S West's tariffed services. The status of semi-public service and its subscribers is scheduled to change on April 15, 1997, because U S West may no longer provide the semi-public payphone and the associated payphone-calling services as part of its regulated exchange service operations.

Thus, the CPNI associated with semi-public services is clearly CPNI of the location provider customer and may not be used or disclosed by U S West without the customer's affirmative consent except in the provision of the telecommunications service from which the information is derived. 47 U.S.C. § 222(c)(1). Since the existing tariffed semi-public service is necessarily being terminated, subsequent to the termination U S West's payphone operation has no more right than any other PSP to access and use the semi-public customer's CPNI.

U S West's treatment of semi-public CPNI has major policy implications. The "flash-cut" deregulation of semi-public service will open up a marketplace opportunity for a large group of customers who are willing to pay to have a payphone located on their premises. Customers of tariffed semi-public service are likely to have little or no awareness of the imminent termination of their tariffed service. Since these customers were obtained by U S West under anticompetitive, discriminatory conditions in an era of LEC payphone subsidies, there is no legitimate reason why U S West's payphone operation should be allowed to exploit its telephone company status to gain preferred access to these customers at the expense of competitors.

Customers of semi-public service should be provided full notice, in a neutral fashion, of the changes that are occurring and be offered a meaningful opportunity to make changes in their payphone services without being subject to service change or installation charges. U S West should be required to disclose how it will notify semi-public customers, in a neutral fashion, of the imminent changes and how it will provide those customers an opportunity to authorize disclosure of CPNI on a nondiscriminatory basis to interested payphone providers, including without preference U S West's payphone division.

To the extent that U S West has, subsequent to enactment of Section 222, allowed its payphone operations to access semi-public customers' CPNI for purposes of marketing nonregulated payphone service to existing semi-public customers, U S West has been in violation of the Act. U S West should be required to disclose whether such access has occurred. If it has occurred, the Commission must take appropriate remedial measures, including a "fresh look" for any customer that was signed to a contract in violation of Section 222.

VI. OTHER SEMI-PUBLIC SERVICE ISSUES

There are other questions related to semi-public and semi-public-like service that are not addressed at all in U S West's CEI plan. For example, to the extent that U S West's payphone operation intends to continue offering a semi-public-like payphone service that involves charging location providers for lines and usage on their payphones, U S West must disclose how such a service will be supported by U S West's network operations and how charges for the service will be treated on the subscriber's bill. For example, if U S West makes network functions available to its payphone operation to track the usage of "semi-public-like" service lines, it must make those same tracking services available in the same manner to independent PSPs. If U S West allows its payphone operations to bill for "semi-public-like" service in the local exchange portion of the subscriber's bill, it must make the same billing treatment available for independent PSPs.[17]

CONCLUSION

U S West's CEI plan fails to provide sufficient specificity and contains outright violations of CEI requirements and the Payphone Order as detailed above. Therefore, U S West's CEI plan must be rejected. U S West must be required to refile or amend its plan in accordance with the foregoing comments. The Commission should require the refiled plan to be served on commenting parties and to be subject to the same comment period, so that parties have an adequate opportunity to review and comment on the new material submitted.

Dated: February 7, 1997

Respectfully submitted,

Albert H. Kramer
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17 To the extent that such billing treatment is tariffed or subject to regulation at the state level, it is clearly a service that the Bell companies must provide on a nondiscriminatory basis, even if other nonregulated billing services are not.

ATTACHMENT 1

U S WEST Communications, Inc.
1801 California Street Room 4740
Denver, Colorado 80202
303 896-1446

John Kure
Director – Public Policy

USWEST COMMUNICATIONS

January 15, 1997

Transmittal No. 823

Secretary
Federal Communications Commission
1919 "M" Street, NW, Room 222 SC1170
Washington, D.C. 20554

Attention: Common Carrier Bureau

The accompanying tariff material, issued on behalf of U S WEST Communications, Inc. d/b/a U S WEST Communications (USWC) and bearing Tariff F.C.C. No. 5, effective as reflected on the attached tariff pages, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material consists of tariff pages indicated on the following check sheet(s):

Tariff F.C.C. No.	Check Sheet Revision No.
5	240th Revision of Page 0-1
	30th Revision of Page 0-1.2
	31st Revision of Page 0-1.3
	17th Revision of Page 0-1.4
	19th Revision of Page 0-1.5
	18th Revision of Page 0-1.17
	45th Revision of Page 0-1.18
	42nd Revision of Page 0-1.19

This filing is being made to comply with the FCC's Orders in CC Docket Nos. 96-128 and 91-35, In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996. The filing includes exogenous adjustments to reflect the deregulation of pay telephone sets and a change in NECA Long Term Support. The filing implements the Orders' requirement to apply a multiline business End User Common Line (EUCL) charge to all payphone lines. The filing also restructures the Common Line Charges to recover in the EUCL the revenue requirement for public pay telephone lines formerly recovered in the Carrier Common Line Charge. Tariff language changes have been made to reflect the deregulation of pay telephone sets. Finally, the filing adds four unbundled features currently used by USWC's pay telephone operation in its provision of pay telephone service from smart pay telephones as required by the Orders.

PU... ...CE COPY

Supporting information discussed under Sections 61.38 and 61.49 of the Commission's Rules is, to the extent applicable, included with this filing in the attached Description and Justification.

In accordance with Section 61.32(b), the original Transmittal Letter, the Federal Communications Commission Form 159 and the filing fee have been submitted to a courier service for delivery to the Treasury Department lockbox located at the Mellon Bank in Pittsburgh, Pennsylvania.

In accordance with Sections 61.32(a) and (c), the appropriate tariff pages and attachments are hereby delivered to the Secretary, Federal Communications Commission, their commercial contractor and the Chief, Pricing Analysis Branch. These actions have been committed on the date established as the issued/filed date as reflected above.

Acknowledgment and date of receipt of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

All correspondence and inquiries in connection with this filing, including service copies of petitions, should be directed to:

Ms. BB Nugent
U S WEST, Inc.
1020-19th Street, NW, Suite 700
Washington, DC 20036
Phone (202) 429-3131
Facsimile (202) 296-5157

Respectfully,

Attachments:
Duplicate Letter
Tariff Page(s)
Description and Justification

13. ADDITIONAL ENGINEERING, ADDITIONAL LABOR AND MISCELLANEOUS SERVICES

13.3 MISCELLANEOUS SERVICES (Cont'd)

13.3.19 BASIC PUBLIC ACCESS LINE (PAL) OPTIONAL FEATURES (N)

A. Answer Supervision - Lineside

This option provides the capability to deliver "off-hook" supervisory signals from the terminating central office switch to a lineside interface at the originating central office switch. These signals indicate when the called station has answered an incoming call. Answer Supervision will only be provided where technically feasible with Basic PAL Service offered in the Company's general or local exchange tariffs. Rates are set forth in 13.4.3., following.

B. Billed Number Screening

Billed Number Screening (BNS) prohibits collect and/or third number billing calls from being charged to BNS equipped numbers. Callers attempting to place a collect or third number billing calls using a BNS number for billing will be advised by an operator that such billing is unauthorized and the call will not be completed until other payment or billing arrangements are made. BNS is subject to the availability of facilities with Basic PAL Service offered in the Company's general or local exchange tariffs. Collect and/or third number billed calls originating from locations that do not have screening capabilities may not be capable of being intercepted and denied and will be billed, e.g., International calls and calls that do not go through the Billing Validation Authority (BVA) data base. Provision of BNS does not alleviate customer responsibility for completed toll calls. This service is available to customers at no charge. (N)

13. ADDITIONAL ENGINEERING, ADDITIONAL LABOR AND MISCELLANEOUS SERVICES

13.3 MISCELLANEOUS SERVICES (T)

13.3.19 BASIC PUBLIC ACCESS LINE (PAL) OPTIONAL FEATURES ((Cont'd) (N)

C. *CUSTOMNET* Service

CUSTOMNET Service provides toll access screening options which allow a customer to restrict the classes of chargeable calls originating over some or all of their lines. *CUSTOMNET* Service enables a customer, by means of Company operator identification, to provide toll access but restrict (0/0+) outgoing toll calls to only those calls which are charged to the called telephone (collect), a third number, and/or calling card.

CUSTOMNET Service is offered to individual PAL customers. Two options, described below, are available with this service. The provision of this service may require some customers to change their existing telephone number.

- Option 1

  All local and nonchargeable calls, e.g., calls to 800/800-type service numbers, and calls to Company numbers such as repair and public emergency service numbers (such as 911) will be permitted. Calls dialed 1+, including calls to Directory Assistance, will not be permitted. Calls dialed 0/0+ to Directory Assistance will be permitted if alternate billing is provided.

- Option 2

  All local calls, nonchargeable calls and calls dialed 1+ will be permitted. With this option, the customer assumes responsibility for all calls dialed 1+ and indemnifies and saves the Company harmless against claims resulting from abuse or fraudulent use of the service.

CUSTOMNET Service is furnished where facilities and operating conditions permit for Basic PAL Service. The Company reserves the right to restrict the screening classes or combinations of classes to standard arrangements. Toll Restriction cannot be applied to lines using *CUSTOMNET* Service. Rates are set forth in 13.4.3., following. (N)

13. ADDITIONAL ENGINEERING, ADDITIONAL LABOR AND MISCELLANEOUS SERVICES

13.3 MISCELLANEOUS SERVICES (T)

13.3.19 BASIC PUBLIC ACCESS LINE (PAL) OPTIONAL FEATURES ((Cont'd) (N)

D. Blocking for 10XXX1+/10XXX011+

Blocking for 10XXX1+/10XXX011+ prevents 10XXX1+ and 10XXX011+ calls from being completed. Blocked calls will be routed to an announcement. This option is available where facilities and operating conditions permit for Basic PAL Service. Rates are set forth in 13.4.3., following. (N)

13. ADDITIONAL ENGINEERING, ADDITIONAL LABOR AND MISCELLANEOUS SERVICES

13.4 RATES AND CHARGES - ALL STATES
13.4.3 CHARGES FOR MISCELLANEOUS SERVICE (Cont'd)

	USOC	NONRECURRING CHARGE	MONTHLY RATE	
L. Synchronization Service				
• Per Interface at 1.544 Mbps on SONET-based facilities	S1F1S	$199.00	$5.00	
M. Answer Supervision - Lineside				(N)
•Per PAL line	AS8L+	15.00	3.95	
N. *CUSTOMNET* Service				
• Per PAL line	SEA	30.00	5.00	
O. Blocking for 10XXX1+/10XXX011+				
• Per PAL line	RTVXY	4.00	0.10	(N)

3. Rate Development for Unbundled Features

USWC developed direct recurring and nonrecurring costs for the rate elements for ASLS, CUSTOMNET Service, and Blocking for 10XXX1+/10XXX011+ Service. Next, internal and external conditions which impact the new service were evaluated to determine the price of the service. Factors considered included the pricing of and relationship to existing services offered by USWC (i.e., rates for these services charged in each state), the competitive alternatives available to the customer, market willingness to pay, and other information on the value of the service to the customer. The charges for each of these unbundled features are above direct cost.[4]

After establishing the price, the ratio of price to direct cost was developed and compared to the ratio of total Part 69 expenses to the total cost for interstate services. Total Part 69 expenses were developed for service categories by using the ARMIS Report 43-01 data for the period January 1995 through December 1995. Workpaper 13 details the detailed Part 69 comparisons. In addition to the price/direct cost ratio, Workpaper 13 provides the direct cost/price and direct cost/unit investment ratios, as required in the Part 69 ONA Order. The direct cost to unit investment is not displayed for the nonrecurring charge elements, as there is no unit investment associated with those elements.

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[4]Some of the direct nonrecurring costs of ASLS are recovered in the recurring rate, although this recovery is not reflected in the cost support for the recurring rate element.

(A) PART 69 CATEGORY	(B) TOTAL 1995 TOTAL REVENUE	(C) TOTAL 1996 DIRECT COSTS	(D) FACTOR (B/C)
INTERSTATE	$1,310,469,000	$505,193,300	2.59

(A) RATE ELEMENT	(B) PROPOSED PRICE	(C) DIRECT COSTS	(D) TOTAL UNIT INVESTMT	(E) PRICE DIR COST RATIO (B/C)	(F) DIR COST TO PRICE RATIO (C/B)	(G) DIR COST TO UNIT INVSMT (C/D)
RECURRING						
ANSWER SUPERVISON - LINESIDE per line	$3.95	0.05	0.46	74.95	0.01	0.12
CUSTOMNET, per line	$5.00	0.01	0.22	500.00	0.00	0.05
BLOCKING FOR 10XXX01+/10XX011+, per line	$0.10	0.06	0.39	1.68	0.60	0.15
NONRECURRING						
ANSWER SUPERVISON - LINESIDE per line	$15.00	19.14	N/A	0.78	1.28	N/A
CUSTOMNET, per line	$30.00	8.02	N/A	3.74	0.27	N/A
BLOCKING FOR 10XXX01+/10XX011+, per line	$4.00	2.70	N/A	1.48	0.68	N/A

<u>Certificate of Service</u>

I hereby certify that on February 12, 1997, a copy of the foregoing Errata to the Comments of the American Public Communications Council on U S West, Inc.'s CEI Plan was sent by overnight courier for delivery on February 13, 1997 to:

Sondra J. Tomlinson
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David M. Janas

*Via Hand-Delivery on February 12, 1997